

LAKESHORE MANAGEMENT
PERMIT PROCESS STUDY

TASK FORCE REPORT
JULY 1987

Encl 2

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LAKESHORE MANAGEMENT PERMIT PROCESS STUDY
EXECUTIVE SUMMARY

The Lakeshore Management Fee Study conducted in 1986 identified the administrative costs of operating the Corps of Engineers lakeshore management permit program. Recognizing that implementation of the new fee system will be controversial, a task force was assembled in May 1987 to examine the components of the permitting process. The task force was charged with identifying specific component costs, recommending ways that the permitting program could be made more efficient and economical, and exploring legal and public policy arguments that could be used to defend it.

After analyzing the components of the permit process, it was concluded that all eleven of the permit components are essential and are being performed in an efficient and economical manner. The survey results also indicate that a greater percentage (73%) of the costs are incurred during the first year of the permit than was estimated in the 1986 report (60%). Costs of the permit process were adjusted using the OMB 1987 Effective Rate and district and division support costs for the program.

A five year floating facility permit fee of \$490 is recommended and a five year vegetative modification permit fee of \$245 is recommended. Also recommend all lakeshore use permits be issued for a five year period and where a person presently has both a floating facility permit and a vegetative modification permit that a combined permit be issued.

LAKESHORE MANAGEMENT PERMIT PROCESS STUDY

TASK FORCE REPORT JULY 1987

A. Introduction.

This report identifies the components of processing a lakeshore use permit and provides a breakdown of the estimated average cost of processing each component of a typical lakeshore use permit. It also analyzes the need and purpose for each component of the permit process and discusses possible ways to reduce these costs.

B. Background.

Between June and December 1986 a special task force committee compiled lakeshore management data and formulated a report titled "Lakeshore Management Fee Study". This study covered all aspects of how Corps field offices are processing lakeshore management permits and estimated the administrative costs of the lakeshore management program. (See executive summary at Appendix A).

In April 1987, the Assistant Secretary of the Army approved the study and asked for additional information that would make the proposed increased permit fee more defensible. (See Appendix B).

C. Purpose.

The purpose of this study is to review the components of the permitting and inspection program to insure it is being accomplished most efficiently and is defensible.

D. Objective.

The objective is to provide an analysis of the various components of the program, which includes an average estimated cost per permit of each component, options and recommendations regarding changes to reduce the costs, and legal or public policy arguments supporting the need for the component.

E. Lakeshore Use Permit Component Definitions.

1. Task #1. Inquiry - This is usually the first step in the permit process. This step may involve a variety of contacts including phone call, formal letter, office walk-in, informal contact, etc. This step may also involve inquiries that require meetings with real estate developers, lake associations, other Federal and State agencies and local groups, all of which are interested in the permit program. It should be noted that many of these initial inquiries do not result in a permit being processed or issued.

2. Task #2. Investigation - This requires the project staff to review all known records and related data to determine the appropriate location of the requested permit. This process may include, review and update of records, review of previous correspondence, review of lakeshore management plan and maps, review of general shoreline conditions such as water depth, windfetch, cultural and historical sites, cove size, soil conditions, topography, and special environmental features.
3. Task #3. Schedule Appointment - Providing that Tasks 1 and 2 have progressed favorably, the prospective permittee is contacted, usually by telephone, to set up an on-site meeting.
4. Task #4. Meet on Site - Here the project ranger and prospective permit applicant meet at the proposed facility/activity site to physically check existing conditions. At this meeting, Corps policy, Title 36 and the lakeshore management plan are usually discussed. Site conditions are recorded and all permit conditions are explained. The most suitable site is staked (for vegetative modification permits, the limits are defined). The applicant is advised to fill-out a permit request (ENG Form 4264-R), and submit a set of appropriate plans and specifications for the facility. Extensive travel time may be involved in completing this task. If the on-site meeting reveals the site not conducive to the requested activity, the applicant is so advised and no further action is taken.
5. Task #5. Receive Applications and Review Plans and Specifications - Assuming the on-site meeting was successful, the applicants formal application for a permit and plans and specifications are received along with the check or money order, at the project office. These submittals are closely reviewed for completeness and accuracy to insure the applicant will perform or build the proposed activity or facility. These plans are reviewed to to insure the activity/facility will be of proper size, be built with safe building materials, be in compliance with the National Electrical Code, and meet proper structural standards, etc. This action insures the completed activity/facility will not pose a health or safety hazard to the owner or other lake visitors.
6. Task #6. Letter to Applicant - This step involves project staff preparation a letter advising the applicant of any additional needed information or in most cases, approving the request for a permit. The letter serves as final approval of the plans and advises the applicant to proceed with the activity. In some cases, the application is denied and the reasons are explained by the project manager in the letter. The applicant may or may not reapply at a later date after the problems are resolved.

7. Task #7. Post Inspection - When the facility or activity has been completed, project personnel travel to the site to inspect the activity/facility for compliance with prior approval plans. The facility/activity must be physically inspected so it does not pose a health or safety problem to the lake visitor. Should a deficiency be found, the applicant is advised of what needs to be corrected and a re-inspection is scheduled.
8. Task #8. Approve and Mail Permit - Upon a satisfactory "Post Inspection," the project staff mails the applicant a copy of the approved permit. This permit also identifies the expiration date.
9. Task #9. Place Permit "Tag" on Facility - After the approved permit is mailed to the applicant, a numbered "tag" is placed on the facility/activity in order for the Corps to identify that specific permitted facility. This may involve travel to the site and physically attaching the tag to the structure or vegetative modification sign. Without the numbered tag, it would be impossible to identify the facility/activity and permittee.
10. Task #10. Routine Inspection - After the first year the permit is in effect, the facility/activity must be inspected once a year. This annual inspection is necessary to insure wind/wave action or flood and storm effects on the structure have not created a safety hazard to the owner or other lake visitors. The project ranger visits the site to physically inspect the structure for compliance with permit conditions. When deficiencies are found, the permittee is formally notified and given a timeframe in which to make correction. The ranger must then re-inspect the activity/facility to insure that corrections have been made.
11. Task #11. Cancel/Re-issue Permit - The approved permit can be cancelled for a variety of reasons including, non-compliance with permit conditions, sale of structure, death of permittee, or at the request of the permittee. The process involves appropriate correspondence and files update. Re-issued permits are usually given for a facility/activity where the property has changed owners. This action involves appropriate correspondence with the new owner/permittee. Many of the above tasks are usually performed, including a routine inspection, before a new permit is reissued for an existing facility/activity.

F. Survey Results and Findings

1. Percent of Projects Which Perform Each Component.

a. The first item the task force examined was the frequency by which a project performed the eleven identified components or tasks of the permitting process. These results are contained in the table 1.

Table 1

<u>Component</u>	<u>% of Projects Which Perform this Component</u>
1. Inquiry	100%
2. Investigation	94%
3. Schedule Appointment	84%
4. Meet On-Site	90%
5. Receive Application and Review Plans and Specs	91%
6. Letter to Applicant	89%
7. Post Inspection	89%
8. Approve and Mail Permit	87%
9. Place Permit Tag on Facility/Activity	65%
10. Perform Routine Inspections	99%
11. Cancel/Re-issue Permit	98%

b. This data serves to indicate that the eleven identified tasks or components do in fact represent the "life cycle" or term of the average permit. Several projects identified additional tasks. After closer examination, all additional identified tasks were actually part of one or more of the eleven given tasks.

2. Average Number of Minutes Spent Performing Each Component. An average number of minutes was computed for each component being performed. Results are found in Table 2.

Table 2

<u>Component</u>	<u>Average No. of Minutes to Perform Component</u>
1. Inquiry	118*
2. Investigation	34
3. Schedule Appointment	9
4. Meet On-Site	72
5. Receive Application and Review Plans and Specs	38
6. Letter to Applicant	33
7. Post Inspection	72
8. Approve and Mail Permit	20
9. Place Permit Tag on Facility/Activity	18
10. Perform Routine Inspections	104
11. Cancel/Reissue Permit	51
Total	569 minutes

* This includes time spent on inquiries that failed to lead to the issuance of a permit..

3. Percent of Time to Perform Each Component.

a. When data in Table 2 is expressed in percentages, the following results are obtained.

Table 3

<u>Component</u>	<u>% of Time to Perform Component</u>
1. Inquiry	21%
2. Investigation	6%
3. Schedule Appointment	1%
4. Meet On-Site	13%
5. Receive Application and Review Plans and Specs	7%
6. Letter to Applicant	6%
7. Post Inspection	13%
8. Approve and Mail Permit	3%
9. Place Permit Tag on Facility/Activity	3%
10. Perform Routine Inspections	18%
11. Cancel/Reissue Permit	9%
Total 100%	

b. The task force looked at each individual components' definition and concluded that, with some exceptions, components one through nine are normally performed during the first year of the term of the permit while components ten and eleven are performed during years two through five. The percentage of time required to perform components one through nine is 73% while components ten and eleven require approximately 27% of the time.

G. Estimated Average Cost of Each Component.

1. Estimated Component Cost Based on Survey Results. By applying the percentage of time to perform each component to the \$480 per five year permit cost which was identified in the June-December 1986 Lakeshore Management Fee Study, an estimated component cost can be calculated. These costs are shown in Table 4.

Table 4

<u>Component</u>	<u>Floating Facility Component Cost</u>	<u>Vegetative Modification Component Cost</u>
1. Inquiry	\$101	\$50
2. Investigation	30	15
3. Schedule Appointment	5	2
4. Meet On-Site	62	31
5. Receive Application and Review Plans and Specs	34	17
6. Letter to Applicant	29	15
7. Post Inspection	62	31
8. Approve and Mail Permit	14	7
9. Place Permit Tag on Facility/Activity	14	7
10. Perform Routine Inspections	86	43
11. Cancel/Reissue Permit	43	22
Total	\$480	\$240

2. Estimated Administrative Cost per Year As explained earlier, approximately, 73% of the permit processing time is spent performing components one through nine during the first year of a five year permit. Components ten and eleven occupy approximately 27% of the time and are performed during years two through five. As a result, the administrative cost per year should be changed from the earlier Lakeshore Management Fee Study Report to more accurately reflect the true administrative cost. Applying the new percentages to the previously approved \$480/five year floating facility permit results in the following costs.

$.73 \times \$480.00 = \350.40 - Rounded up to \$360.00 (1st year)

$.27 \times \$480.00 = \129.60 - Remaining term or \$32.40 per year - Round to \$30 per year

The revised fee schedule, with a slight adjustment made for rounding and ease of collection is shown in Table 5.

Table 5

<u>Type of Permit</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Floating Facility	\$360	\$30	\$30	\$30	\$30	\$480
Vegetative Modification	\$180	\$15	\$15	\$15	\$15	\$240

3. Effective Rate Revision

a. The 1986 Lakeshore Management Fee Study used the 1986 OMB effective rate. In order to properly analyze the administrative costs of the permit process, the 1987 OMB effective rate was obtained. Table 6 compares the two rates.

Table 6

<u>1986 Rate</u>		<u>1987 Rate</u>
27.90%	Civil Service Retirement and Disability	21.70%
4.70%	Health and Life Insurance	4.70%
1.45%	Medicare	1.45%
1.80%	Other (Workman's disability, unemployment, awards, etc.)	1.80%
35.85%	Totals	29.65%

b. The 1987 OMB effective rate was applied to the field office base labor, thus reducing it by \$120,954 per year. This lowered the total field office program cost to \$3,484,806. Including the 1987 effective rate results in a reduction of \$30 for a five-year permit.

4. Cost of Living Raise - 1987. In January 1987, Federal employees received a 3% cost of living raise. Applying the 3% raise to the field office base labor would result in a \$1.50 increase in the cost of a lakeshore use permit per year. This was considered negligible and was not included in the final fee recommendation.

5. District/Division Office Support.

a. The 1986 Lakeshore Management Fee Study did not take into consideration the costs incurred by district and division offices in supporting the field office lakeshore management activities. Part III of the 1987 survey asked for data from both district and division offices where significant lakeshore management activities take place. District office lakeshore management costs are identified in Table 7 and division office costs in Table 8.

Table 7

District Office Base Labor	\$136,593/year
1987 Effective Rate (29.65%)	\$40,499/year
Overhead	\$38,886/year
Total	\$215,978/year

Table 8

Division Office Base Labor	\$47,000/year
1987 Effective Rate (29.65%)	\$13,936/year
Overhead	-0-
Total	\$60,936/year

b. These two additional administrative costs are added to the revised total field office program cost (found in paragraph G.3) of \$3,484,806 per year for a new total of \$3,761,720 per year. This new total is \$155,960 per year higher than the total per year cost found in the 1986 Lakeshore Management Fee Study. Table 9 shows the revised fee schedule for the two types of five year lakeshore use permits taking into consideration the 1987 OMB effective rate and district/division office support costs.

Table 9

<u>Type of Permit</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Floating Facility	\$370	\$30	\$30	\$30	\$30	\$490
Vegetative Modification	\$185	\$15	\$15	\$15	\$15	\$245

6. Fee Schedule Recommendations.

a. After carefully analyzing each component of the permitting process and determining the estimated average cost per permit of each component, the fee schedule illustrated in Table 9 is recommended for implementation.

b. Recommend up front payment of the full fee annual administrative costs for years two through five are \$30 for a floating facility permit and \$15 for a vegetative modification permit. Administrative costs of sending out annual bills and processing payments would exceed the value received. If annual payments are not allowed and approximately 75% of the administrative cost occurs in the first year of the permit, recommend no discount for up front. If the true administrative cost to the Government for the permit process is \$490/\$245 for 5 years, then this amount needs to be collected.

c. The Task Force concurs with the Lakeshore Management Fee Study Committee that:

- 1) Golden Age/Golden Access discount should not apply to lakeshore use permits.
- 2) Refunds should not be given during the first or fifth year of the permit.
- 3) A late fee should be assessed.
- 4) The new fee schedule should be implemented immediately upon approval for new permits and existing permits should be phased in as they expire and are reissued.
- 5) Fees should not be assessed for erosion control structures.
- 6) This fee schedule should not apply to temporary duck blinds.

H. Options and Recommendations to Reduce Permit Costs

1. In the survey sent to each project with lakeshore management activities, a section was set aside for suggestions on how to streamline and/or reduce permit costs. Each of the tasks and recommended changes are discussed below.

- a. Inquiry - Most project managers stated this was a very routine and basic function where the lakeshore management program is explained. One recommendation to reduce costs was to accept requests or inquiries only 3 months out of the year. This suggestion is not feasible since the same number of inquiries would be received during the 3 month period and would create a

huge backlog in processing time. This would also result in very poor "customer care."

- b. Investigation - A basic function to review records and determine preliminary feasibility. Many project managers suggested the use of computerized data to speed this process. The task force noted that several districts are currently using this type of data storage. Recommend all projects with more than 100 permits explore the use of computer records.
- c. Meet on-site - This meeting between the applicant and the Corps is the single most important function in determining the course of the permit. No recommendations were received to streamline this step.
- d. Receive and review application and plans/specs. - Review of the application is essential to insure a safe facility or activity. A few project managers suggested that plans be certified by a licensed professional engineer or appropriate engineering firm. This proposal has merit but the cost to the applicant would be very high and this service may not be available at remote lakes. Not recommended by the task force.
- e. Letter to applicant - In most cases, this is the notice to proceed with facility or activity. Some managers recommended using computerized standardized letters. Many projects reported this proposal already in use. Recommend projects with greater than 100 permits consider using computer generated letters to the applicant.
- f. Post inspection - Ranger inspection of completed facility or activity. One project recommended that the applicant furnish a notarized statement that the facility or activity is completed according to plans. This proposal is not recommended since the notarized statement only signifies that the applicant did sign the statement and does not guarantee that the plans were followed.
- g. Approve and mail permit - Approved permit signed by project manager and mailed to permittee. No suggested changes.
- h. Place permit tag on facility or at activity - This step is performed by only 65% of reporting projects. Many managers suggested mailing the approved permit form and the permit tag to the permittee. However, from the comments received, many projects are currently doing this. The proposal should be made optional where workable and could be combined with e. above for even more efficiency in the permit process.
- i. Perform routine inspection - This is a health and safety function to insure that the facility or activity does not present a hazard to the owner or the visiting public. Two districts suggested contracting this function to qualified firms. Although they did not experience the anticipated savings, both districts are experimenting with second year contracts.

- j. Cancel/re-issue permit - This is a routine function to keep the facility/activity under a valid permit. Many managers recommended that all lakeshore management permits be issued for a 5 year term. This action will reduce the administrative cost of the program. Some managers suggested that the floating facility permit and the vegetative modification permit be combined into one permit. This action will also save time in administering the program. The permit form should be modified to make it more easily understood by the permittee. Also recommended is the proposal to have existing permits expire in sequential years, approximately 20% each year for 5 years. This would eliminate the problem of all permits expiring in the same year thereby creating a more level administrative workload. Some projects are currently using this system but all projects should be made aware of this option. One project manager suggested that lakeshore use permits expire by geographic area of the lake thereby reducing travel to many different areas of the lake each month. This proposal has merit and should be made optional to projects where feasible.

2. It appears, from the comments received suggesting changes to the permit process, that the most significant cost savings will be realized by converting to a five year term permit and combining boat dock and vegetative modification permits into one permit. While other recommendations have been discussed and reviewed they have only limited application due to diverse project situations and special/unique features.

3. Copies of these suggestions should be made available to all projects with lakeshore use permits, so they may utilize some of the different methods of saving time and administrative effort.

I. Keeping the Lakeshore Management Permit Fees Current.

1. Concern was expressed by the task force regarding the need to keep the lakeshore use permit fee current. It has been thirteen years since the original fee was implemented and no cost adjustment factors have been incorporated into the fee schedule. Users are now faced with a dramatic increase in the fee. The adjustment period may prove to be lengthy and arduous. There are several options which should be considered for keeping the fee current.

- a. Cost Tracking System - Through the use of COEMIS, project, district and division offices could, through the use of special cost keys, keep accurate cost data for use at a latter date for purposes of updating the lakeshore management permit fee. There may be resistance to such a cost-tracking system at the field and district levels due to the complexity of COEMIS and the large number of existing cost-keys. This may increase costs.
- b. Pricing Index - Through the use of one of the appropriate pricing indices, the lakeshore management permit fee could be updated as frequently as desired. From a public acceptance standpoint, future adjustments in the fee might be more palatable if they were tied to a price index.

- c. Special Task Force - It is possible that a special task force might be convened in approximately five years to re-examine the lakeshore management permit fee again. Even if a COEMIS Cost-Tracking System or a Pricing Index is used, it may be necessary to convene a special task force to formalize any changes in the fees.

2. Since the task force was not asked to address how to keep the lakeshore management use fee current, no recommendations are made.

APPENDIX A

LAKESHORE MANAGEMENT FEE STUDY EXECUTIVE SUMMARY

INTRODUCTION

The increased cost of administering the Lakeshore Management Program and the nominal fees for permits, which have remained unchanged since 1974, have been identified as significant issues. To address these issues, a study was conducted to re-evaluate fees charged for private exclusive lakeshore use permits and to assess the impact of these charges on the public, the permittee and the Federal Government. The purpose of the study is to; (1) estimate the annual administrative cost, including overhead, for issuing private lakeshore use permits under the Lakeshore Management Program and (2) to establish a value of the activity to the permittee based on information obtained from various sources.

While many sources of information were reviewed, the Corps Natural Resource Management System (NRMS) was the primary source of data used to identify where lakeshore use permits existed. Other public agencies and private entities were surveyed to determine if they allowed such private facilities or activities and the basis each used when establishing fees. On-site project reviews and interviews of Corps managers were conducted to assist in identification of potential problems and to assess impacts of any fee increases. A questionnaire was developed and sent to all Corps projects where lakeshore use permits are issued. The questionnaire gathered information on permit status, types of activities permitted, administrative actions required, costs, revenues and fees at commercial facilities. The Corps' Waterways Experiment Station in Vicksburg, Mississippi, assimilated data and acted in a resource support capacity.

FINDINGS

No defensible data were available from other public agencies or private entities for use in determining fees. Lakeshore use permits are being issued at 100 Corps projects. There are currently 38,523 lakeshore use permits with an average term of 3.81 years. The current annual revenue from lakeshore use permits is \$244,558 and the total annual cost of administering the program is approximately \$3,600,000. Average fees for various categories of moorage at commercial marinas on Corps projects were also obtained.

ALTERNATIVES

The following alternatives for lakeshore use permit fees were examined.

- a. Continue the current fee of \$30 for a five year permit.
- b. Increase fees to recover all administrative costs which would result in a fee of \$480.00 for a five year permit.
- c. Increase fees to recover essentially all administrative costs.
- d. Charge only a fair market value fee.
- e. Increase fees to recover all administrative costs based on a fair market value fee.

CONCLUSIONS

- a. Current revenues from lakeshore use permits are not sufficient to recover the cost of administering the program.
- b. Information obtained in response to the questionnaire and from the NRMS, were the most appropriate sources of data available for use in establishing fees.
- c. Fees should be increased to essentially cover the cost of administering the program.
- d. Fee increases should be defensible and equitable.
- e. If a fair market value to the permittee is established, it should be based on a reasonable proxy to the fees at commercial marinas for floating facilities of similar size.
- f. A staggered phase-in of the program would best be accomplished by assessing new fees upon the expiration of existing permits.

RECOMMENDATIONS

- a. Fees for all floating facilities should be \$480 for a five year permit. Fees for vegetation modification should be \$240 for a five year permit. Sixty percent of the cost would be first year cost for permit issuance and 40% for subsequent inspections. (Alternative c).
- b. Fees for permit modifications that provide for any horizontal expansion to facilities/activities or increase the number of facilities/activities, should be assessed an additional 50% of the total permit fee. (Alternative c).
- c. Fees should be increased upon expiration of existing permits or when issuing new permits.
- d. No fees should be assessed based on fair market value. (Alternatives d and e).



APPENDIX B
DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310-0103

SA7041501

14 APR 1987

MEMORANDUM FOR THE DIRECTOR OF CIVIL WORKS

SUBJECT: Lakeshore Management Fee Study

Hank

This is in response to your memorandum of March 2, 1987, subject as above.

The subject study was an excellent effort, and your staff provided me with an outstanding briefing concerning it and the issues involved. All those involved should be commended. As I indicated at the briefing, I believe it is important to our program to increase the utilization of our projects so the Nation's taxpayers can enjoy these projects and see their value. At the same time, if some individuals benefit financially from our projects more than the general public, the Government should share in those benefits. At a minimum, we should recover the cost involved in permitting those benefits. If we do not recover those costs, it would seem inappropriate for us to establish a policy to permit any added development or to increase the amount of lakeshore allocated to limited development as my memorandum of May 1, 1986, directed. Consequently, I believe it appropriate for us to implement the recommendations of the study committee.

Implementing the fee schedule recommended is likely to be controversial and to bring charges that our permitting program is too extensive and overly expensive. Consequently, I would like you to review the components of our permitting and inspection program to insure it is being accomplished most efficiently and can be defended against critics. Please provide an analysis of the various components (review of plans, inspection, monitoring, etc.) of the program, which includes an average estimated cost per permit of each component, options and recommendations regarding changes to reduce the costs, and legal or public policy arguments supporting the need for the component.

In addition, please provide me, by April 30, 1987, a schedule for implementing this fee schedule and for publishing the revised Lakeshore Management Regulation as described in my memorandum of May 1, 1986.

Robert K. Dawson

Robert K. Dawson
Assistant Secretary of the Army
(Civil Works)

APPENDIX C

List of Task Force Members

Missouri River Division

Michael Carey, Chief, Plans and Policies Section, Kansas City District

South Atlantic Division

Brad Keshlear, Chief, Recreation and Programming Section

Southwestern Division

Earl Groves, Outdoor Recreation Planner, Tulsa District

APPENDIX D

DIVISION _____ DISTRICT _____ PROJECT _____

Lakeshore Management
Permit Process Study
Survey
May 1987

The Assistant Secretary of the Army (Civil Works) requested the Corps of Engineers to develop a new fee schedule for lakeshore use permits. From June through December of 1986, a study on lakeshore use permit fees was performed by a committee comprised of eight Corps of Engineers personnel. In July 1986, this committee sent questionnaires to all projects where lakeshore management activities exist. The data from these questionnaires was analyzed and provides the basis for a new fee schedule.

Additional information is needed which will:

1. Ensure the lakeshore management permit process is being accomplished in the most efficient manner possible.
2. Identify the average estimated cost per permit for performing the various tasks associated with the permitting process.
3. Suggest changes, additions or deletions to permitting process tasks that could reduce the governments cost.

To obtain this additional information, a three person task force has been assembled to collect and analyze the data from this survey. This survey contains three parts. Parts I and II are to be completed by the Project Manager for each project identified on the attached list. Part III of this survey is to be completed by each district and division office.

Permit Process Study Survey
Part I
(To be completed by Project)

The attached Project list indicates the average time (minutes) the Project spends in an average year for each permit, for each project that completed a questionnaire in July of 1986. The "total of the average time per permit" column of Part I of this survey should equal the time indicated on the attached Project list.

The Fee Study Committee identified eleven basic tasks which comprise the lakeshore permitting process. These eleven tasks may not necessarily be performed at all projects, since some tasks may be performed simultaneously, in a different sequence or may not be performed at all.

Review the following eleven tasks and in the corresponding space, indicate the average time, per permit, spent performing each task. If you do not perform the task, leave the space blank. If there are additional tasks you perform that are not included on this list, add the task along with a brief description of the task, explain why the task is performed, and the average amount time spent per permit performing the task.

Avg. time
per permit
(minutes)

Task

Description

- | | | |
|---------------|----------------------|---|
| 1. _____ min. | Inquiry | Phone, letter or walk-in by a potential applicant. |
| 2. _____ min. | Investigation | Records, files and maps are reviewed at the project office to determine the approximate location where the permit is requested and any special conditions that should be considered. |
| 3. _____ min. | Schedule Appointment | An appointment is scheduled for project personnel to meet on site with the permit applicant. |
| 4. _____ min. | Meet on-site | At this meeting with the permit applicant, lakeshore designation is confirmed to ensure the requested activity/facility can be approved. The site location and water conditions are evaluated. Regulations are explained and the applicant is given a permit application. |

Avg. time
per permit
(minutes)

Task

Description

- | | | |
|----------------|---|---|
| 5. _____ min. | Receive and review application, plans, and specification. | Check or money order is received. Plans, specification and applications review. |
| 6. _____ min. | Letter to applicant | Letter is sent to applicant identifying additional information required, giving notice to proceed if the application information is complete, or the application is denied. |
| 7. _____ min. | Post Inspection | When the facility/activity is completed by the applicant, it is inspected for compliance by project personnel. If not in compliance, changes are requested and a reinspection is scheduled. |
| 8. _____ min. | Approve & mail | The permit is approved and the permit approved application is mailed to the permittee. |
| 9. _____ min. | Place permit tag on facility | The permit tag is placed on the permitted facility by Ranger or permittee. |
| 10. _____ min. | Perform routine inspections | The facilities/activities are routinely inspected throughout the term of the permit. |
| 11. _____ min. | Cancel/Reissue | The permit is cancelled or reissued. |

In the spaces below, identify any additional tasks, their description and associated time for any tasks not identified in 1-11 above. For each task added, explain why the task is performed.

Avg. time
Per Permit
(minutes)

Other Tasks

Description & Justification

- | | | |
|----------------|-------|-------|
| 12. _____ min. | _____ | _____ |
| | _____ | _____ |
| | _____ | _____ |
| | _____ | _____ |

Avg. time
Per Permit
(minutes)

Other Tasks

Description Justification

13. _____ min.

14. _____ min.

15. _____ min.

_____ min.

Total

Total the minutes for tasks 1-15
Note: This total amount should
equal the amount shown on the
attached Project list.

In your opinion, which of the tasks identified in Part I can be consolidated, modified, or deleted that will reduce the amount of time spent on each permit and thus reduce costs. Please explain the rationale for your suggestions.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Division _____ District _____

PERMIT PROCESS STUDY SURVEY

PART III

(To be completed by District & Division offices)
(Only one copy per division or district)

What is the estimated average annual cost for hired labor (base rate) in your District/Division office for providing Support to the Project's lakeshore management program? Also, indicate your current District/Division office overhead rate.

A. Estimated annual Base Labor Cost (DO NOT INCLUDE "EFFECTIVE RATE" or OVERHEAD COSTS IN THIS FIGURE): \$ _____

B. Current Division/District overhead Rate: _____ %

C. Explain the rationale, need, legal or policy reasons for performing each of the tasks listed on part I & II of this survey as submitted by the projects within your Division/Districts.

APPENDIX E

STUDY PROCEDURES

E-1. The Task Force. A task force was established in April 1987 consisting of representatives from divisions where significant lakeshore management activities and facilities are permitted. A list of members is at Appendix C.

E-2. Review of Existing Data. Existing data, which consisted of the Lakeshore Management Fee Study Report dated June-December 1986 and all of the working papers associated with its preparation, were reviewed.

E-3. Survey.

a. A survey was developed and distributed to the same 94 water resource development projects that were surveyed in 1986. A copy of the survey is at Appendix D. In Part I of the survey, each project was furnished the average number of minutes it spent processing a lakeshore use permit during an average year. This figure was calculated from data obtained in the 1986 questionnaire using the following formula: Total No. of hours spent processing permits during an average year divided by the number of permits issued at that project multiplied by 60 minutes per hour. Part I of the survey asked each resource manager to break down the average number of minutes it took to process a lakeshore management permit into the eleven permitting process components that represented the "life cycle" or term of a permit. The amount of time (minutes) it took to perform each component totalled the average time it took to process a permit per year at that project. Space was provided for project input if any additional components beyond the eleven were identified.

b. Part II of the survey encouraged the resource manager to offer suggestions on ways to streamline the permit process and thus reduce costs.

c. Division and District offices were asked to complete Part III of the Survey. Part III asked for the estimated annual base labor costs for providing support to the projects lakeshore management program, the District office overhead rate, and the rationale, legal, or policy reasons for performing each of the eleven tasks listed in Part I of the survey. This information was necessary to obtain a true estimate of the administrative cost to the Government of issuing lakeshore use permits and was not obtained during the 1986 survey.

E-4. Effective Rate. In addition to the three part survey sent to the FQA's, we obtained the latest OMB effective rate for Federal agencies. The rate used in the 1986 report was 35.85%. The 1987 revised rate is 29.65%. The reduction is due to the lower fringe benefit for retirement. The revised effective rate is discussed in detail in paragraph G.3.

E-5. Survey Distribution and Returns. The questionnaire distributed in 1986 was sent to 100 projects identified in the Natural Resources Management System (NRMS) where lakeshore use permits are issued. During the 1986 study, six of the lakes were found not to have lakeshore management programs. The survey for this study was distributed to the remaining 94 projects. Eighty-two projects completed and returned the 1987 survey form for an 87% return rate. This is a statistically adequate sample.